

Internal Service Funds
Combining Statement of Cash Flows
For the Year Ended June 30, 2003

	Central Services Fund	Group Hospital Insurance Fund	Group Life Insurance Fund
Cash flows from operations:			
Receipts from customers	\$ 8,622,905	\$ ---	\$ ---
Premiums received	---	65,372,958	2,819,601
Payments to suppliers	(5,462,462)	(3,820,883)	---
Cash payments to employees	(2,320,099)	---	---
Claims paid	---	(61,428,531)	(2,258,718)
Net cash provided by (used in) operating activities	<u>840,344</u>	<u>123,544</u>	<u>560,883</u>
Cash flows from noncapital financing activities:			
Transfers to other funds	<u>(1,045,575)</u>	<u>(206,816)</u>	<u>(2,100,000)</u>
Net cash provided by (used in) noncapital financing activities	<u>(1,045,575)</u>	<u>(206,816)</u>	<u>(2,100,000)</u>
Cash flows from capital and related financing activities:			
Acquisition of capital assets	<u>(503,233)</u>	<u>---</u>	<u>---</u>
Net cash used in capital and related financing activities	<u>(503,233)</u>	<u>---</u>	<u>---</u>
Cash flow from investing activities:			
Interest and investment earnings	<u>---</u>	<u>---</u>	<u>55,997</u>
Net cash provided by (used in) investing activities	<u>---</u>	<u>---</u>	<u>55,997</u>
Net increase (decrease) in cash and cash equivalents	(708,464)	(83,272)	(1,483,120)
Cash and cash equivalents, July 1, 2002	<u>1,736,663</u>	<u>11,137,557</u>	<u>3,007,590</u>
Cash and cash equivalents, June 30, 2003	<u>\$ 1,028,199</u>	<u>\$ 11,054,285</u>	<u>\$ 1,524,470</u>

Tort Liability Fund	Employer Insurance Fund	Total
\$ ---	\$ ---	\$ 8,622,905
106,257	2,877,747	71,176,563
---	---	(9,283,345)
---	---	(2,320,099)
(575,545)	(2,979,385)	(67,242,179)
<u>(469,288)</u>	<u>(101,638)</u>	<u>953,845</u>
---	(219,318)	(3,571,709)
<u>---</u>	<u>(219,318)</u>	<u>(3,571,709)</u>
---	---	(503,233)
<u>---</u>	<u>---</u>	<u>(503,233)</u>
---	---	55,997
<u>---</u>	<u>---</u>	<u>55,997</u>
(469,288)	(320,956)	(3,065,100)
<u>2,768,291</u>	<u>2,948,250</u>	<u>21,598,351</u>
<u>\$ 2,299,003</u>	<u>\$ 2,627,294</u>	<u>\$ 18,533,251</u>
		(continued)

Shelby County, Tennessee

Internal Service Funds
Combining Statement of Cash Flows (continued)
For the Year Ended June 30, 2003

	Central Services Fund	Group Hospital Insurance Fund	Group Life Insurance Fund
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:			
Operating Income (loss)	\$ 312,359	\$ 751,720	\$ 551,037
Adjustments:			
Depreciation	109,397	---	---
Changes in assets and liabilities:			
Accounts payable and accrued liabilities	377,060	(150,429)	28,031
Sick and annual leave	7,560	---	---
Deferred revenue	---	(3,109,072)	3,831
Insurance claims payable	---	2,046,086	---
Inventories	(1,602)	---	---
Accounts receivable	35,570	585,239	(22,016)
Total adjustments	527,985	(628,176)	9,846
Net cash provided by (used in) operating activities	\$ 840,344	\$ 123,544	\$ 560,883

<u>Tort Liability Fund</u>	<u>Employer Insurance Fund</u>	<u>Total</u>
<u>\$ 84,916</u>	<u>\$ (457,412)</u>	<u>\$ 1,242,620</u>
---	---	109,397
(5,786)	272,499	521,375
---	---	7,560
---	---	(3,105,241)
(548,418)	81,820	1,579,488
---	---	(1,602)
---	1,455	600,248
<u>(554,204)</u>	<u>355,774</u>	<u>(288,775)</u>
<u><u>\$ (469,288)</u></u>	<u><u>\$ (101,638)</u></u>	<u><u>\$ 953,845</u></u>